GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3747
ANSWERED ON:19.04.2005
SOUTH ASIAN FREE TRADE AGREEMENT
Verma Shri Ravi Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has called for special efforts by South Asian Countries to upgrade the existing South Asian Preferential Trade Agreement (SAPTA) to South Asian Free Trade Agreement (SAFTA) and for raising the level of cooperation in the agriculture sector;

(b) if so, the response of the South Asian Countries thereon; and

(c) the steps taken or proposed by the Government to upgrade the existing South Asian Preferential Trade Agreement to South Asian Free Trade Agreement for boosting the agriculture sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (c): The Fourth Round of trade negotiations under the Agreement on SAARC Preferential Trading Arrangement (SAPTA) ended in December, 2003. The Agreement on South Asian Free Trade Area (SAFTA) was signed during the Twelfth SAARC Summit in Islamabad on 4-6 January 2004. The SAFTA is scheduled to come into force on 1 January, 2006. With the signing of the SAFTA, there will be no more round of trade negotiations under SAPTA. The Committee of Experts on SAFTA, consisting of members from all SAARC countries, is currently having deliberations on the four outstanding issues, namely Sensitive Lists, Technical Assistance to the Least Developed Contracting States, Rules of Origin and Mechanism for Compensation of Revenue Loss for the Least Developed Contracting States for arriving at consensus on these issues for timely implementation of SAFTA.

Implementation of SAFTA will result in one of the largest Free Trade Area, and it is expected to significantly boost intra SAARC Trade, including agriculture sector.